

PCA – Process Residential Care Facility Cost Report Via Rate Calculation

Purpose: Review the cost report using rate calculation procedures to determine if reported costs are allowable and reasonable for Residential Care Facilities. Form 470-0030, Financial and Statistical Report (or Form AA-4036-0) is due 90 days after the end of the provider's fiscal year.

Identification of Roles:

1. Specialist – reviews the cost report to determine if all the necessary information was completed and received. Imports/data enters cost report. Also reviews the reported items to make sure it foots and ties out to supporting documentation.
2. Staff Accountant – performs rate calculation procedures to determine reasonable and allowable costs.
3. Senior Accountant – may perform rate calculation procedures and perform reviews.
4. Supervisor – perform review of rate calculation and adjustments.
5. Manager – may perform review of rate calculation and adjustments.

Performance Standards:

Perform annual rate calculation and notify the provider and the Department of the new payment rate by sending a rate sheet within 90 days of receipt of the financial and statistical report.

Notify the provider and the Department of the new payment rate by sending a “rate sheet” within two months of the end of the month after receipt of the financial and statistical report.

Path of Business Procedure:

Step 1: Cost Report Process

- a. The cost reports are submitted by Residential Care Facility (RCF) providers. Mailroom receives Cost Report and scans into On-Base and forwards to PCA. If electronic version, then the disk is sent to Provider Cost Audit (PCA).
- b. Postmark date of Cost Report is scanned into On-Base.
- c. Receive notification from On-Base that cost report is ready for processing.

- d. Receive hard copy and electronic version of cost report from mailroom.
- e. Perform preliminary review.
- f. Log receipt of Cost Report in status log in Access and Iowa Medicaid Cost and Rate System (IMCARS).
- g. Send "Cost Report Acknowledgment" letter to agency. Letter is located on the Provider Cost Audit share drive.
- h. Cost Report information is imported/data entered into IMCARS.
- i. Review Cost Report for mathematical accuracy and completeness.
- j. Log support staff review complete date.
- k. Perform rate calculation.
- l. Make necessary adjustments to reported data to determine allowable costs.
- m. Review patient day costs for reasonableness.
- n. Log accountant review complete date.
- o. Perform review of procedures and adjustments.
- p. Log review complete date.
- q. Process rate calculation and calculate payment rate.
- r. Send rate notification to provider via mail.
- s. Log date sent to provider.
- t. Updated rates and effective dates in the Medicaid Management information System (MMIS).
- u. Give Quarterly Agreed Upon Procedure Report to the Department of Human Services (DHS).
- v. Prepare Semi-annual Compilation report summarizing cost and statistical data from provider submitted cost reports.

Step 2: Annual Rate Updates

- a. Send legislative rate cap changes to CORE to update MMIS parameter file as necessary.
- b. Update inflation factor in IMCARS.
- c. Calculate annual rates, effective July 1 based on legislative changes in rate cap and inflation changes.
- d. Send rate notification to provider via mail.
- e. Update rates and effective dates in MMIS. This will be done either manually or uploading an electronic file.

Forms/Reports:

- 1. Form 470-0030, Financial and Statistical Report. – hard copy provided
- 2. Provider workpapers.
- 3. Rate calculation checklist and workpapers.
- 4. RCF Rate Worksheet.
- 5. Semi-annual Compilation Report

RFP References:

Section 6.7.1.2b

Interfaces:

Medicaid Management Information System (MMIS)
IME Core Unit

Attachments:

Form 470-0030 –

http://www.ime.state.ia.us/docs/NursingFacility_V597version.xls

Instructions to Form 470-0030 -

<http://www.ime.state.ia.us/docs/CostReportInstructions4.pdf>